

Microsoft Enterprise Agreement Decision for FY2014 and FY2015 (April 2013)

With the approval of the State Government Council, in 2010 the State of Nebraska entered into a statewide enterprise agreement (EA) with Microsoft. The enterprise agreement included licensing with special pricing for email, other collaboration services (SharePoint and LiveMeeting), Microsoft Office 2010, and the Windows Operating System. Microsoft offers a substantial “platform” discount, when licensing all of these as a package. The current enterprise agreement expires May 31, 2013, with the option to renew for two years (through May 31, 2015).

All state agencies participate in the email and collaboration services (SharePoint and LiveMeeting) portion of the Microsoft EA through their state email accounts. Licensing costs for these services are included in the \$13.90 monthly fee for email and collaboration services.

Participation in the Office and Windows component of the Microsoft EA has been linked to an agency’s decision to upgrade software when purchasing a new PC or laptop, with cost recovery based on the assumption that eventually all agencies will upgrade to Office 2010. The cost of licensing for Office and Windows is also included in the monthly fee for those agencies that lease PCs and laptops from the Office of the CIO.

At its meeting on August 9, 2012, the State Government Council voted to recommend extending the EA for another two years (June 1, 2013, through May 31, 2015). The Office of the CIO committed to contacting agencies prior to signing the contract to verify the individual agency commitments. The action by the State Government Council reflects the benefits of the EA that are listed below. In addition, the EA is a cost-effective means of proving compliance with licensing requirements for Office and Windows under a software audit. ***Agencies not participating in the EA must be able to document proof of ownership of this software or be subject to legal challenges and potential financial penalties in the case of a software audit.***

The State of Nebraska must now determine the quantity of Office and Windows licenses to include in the Microsoft EA for the next two years (June 1, 2013 through May 31, 2015). For simplicity, enrollment in the EA will use an “opt-out” arrangement. ***In order to opt out of the EA for the next two years, agencies must notify the Office of the CIO by email. Unless otherwise notified, we will use the number of email accounts for the quantity of Office and Windows licenses in use by the agency. Please respond by Friday April 26, 2013 to steve.schafer@nebraska.gov if your agency chooses not to participate or has a different number of Office and Windows licenses than email accounts.***

Information about the benefits and costs of participating in the EA is below.

Benefits of the EA for Office and Windows

A major reason for extending the agreement is that it continues current pricing for all of the products in the Microsoft EA. The benefits of participating in FY14 and FY15 include:

- Continue current pricing for products included in the Microsoft EA (“platform discount”).
- Provide software “insurance” that removes any question about ownership rights for Office and Windows in case of a software audit.
- Own rights to the latest version of Office or Windows during the renewal period.
- Maintain eligibility to continue participation in future renewal periods without incurring the additional one-time, upfront costs of a license.

- Continue uninterrupted access to all of the benefits of Microsoft's software assurance program.
- Enables budget stability by establishing a level budget for desktop software.
- Maintain all desktops at the same version of Office or Windows, allowing for easier troubleshooting and version compatibility.
- Home Use Program for Office (The Home Use Program allows a qualified employee to pay a nominal fee to Microsoft to download and install the most recent version of Office Professional Plus on one's home computer and use another copy on a personally owned portable device.)
- Roaming Use Rights for Office (Roaming Use Rights for Office allow users with Software Assurance on Office to remotely access their software on their virtual desktops from third-party devices such as home PCs and internet kiosk.)
- Windows Virtual Desktop Access (Windows Virtual Desktop Access lets you access virtual desktop environments from Software Assurance-covered PCs, and allows the PC's user to remotely access their virtual desktops from third-party devices such as personal PCs and hotel kiosks.)
- Access to MDOP (The Microsoft Desktop Optimization Pack (MDOP) is a suite of technologies available as a subscription for Software Assurance customers. MDOP helps manage, monitor, and deploy key Windows features. Using MDOP shifts desktop repair from reactive to proactive, saving time and removing challenges associated with troubleshooting and repairing system failures.)

Consequences of Opting Out of the EA

A decision not to renew the Microsoft EA for FY2014 and FY2015 would have the following implications for state government, as a whole:

- Losing the platform discount would cause higher prices for email and related licenses that would be reflected in a higher monthly fee for email accounts. According to options prepared by Microsoft, losing the platform discount for licenses relating to email and collaboration services would cause a 34% increase in licensing costs. This would increase the \$13.90 monthly email costs by \$2.10 for those agencies that opt out.
- Higher one-time costs for future upgrades of Office and Windows;
- Loss of other benefits included in the Microsoft EA. For example, employees who have already purchased Office via the Home Use SA benefit would no longer own rights the software.

Cost Comparisons

Below are four tables for calculating the cost of participating in the EA. Each table reflects a different scenario based on an agency's current status.

If an agency has purchased BOTH Office and Windows Enterprise already						
	NUMBER	UNITS	COST/UNIT	NUMBER	UNITS	ANNUAL COST
Email Accts		Mailbox	\$13.90	12	Months	
Windows SA		License	\$41.69	1	Year	
Office SA		License	\$97.27	1	Year	
TOTAL						

If an agency has purchased Office already but NOT Windows Enterprise						
	NUMBER	UNITS	COST/UNIT	NUMBER	UNITS	ANNUAL COST
Email Accts		Mailbox	\$13.90	12	Months	
Windows SA		License	\$41.69	1	Year	
Windows License		License	\$68.00	1	Time	
Office SA		License	\$97.27	1	Year	
TOTAL						

If an agency has purchased Windows Enterprise already but NOT Office:						
	NUMBER	UNITS	COST/UNIT	NUMBER	UNITS	ANNUAL COST
Email Accts		Mailbox	\$13.90	12	Months	
Windows SA		License	\$41.69	1	Year	
Office SA		License	\$97.27	1	Year	
Office License		License	\$328.78	1	Time	
TOTAL						

If an agency has NOT purchased either Office and Windows Enterprise						
	NUMBER	UNITS	COST/UNIT	NUMBER	UNITS	ANNUAL COST
Email Accts		Mailbox	\$13.90	12	Months	
Windows SA		License	\$41.69	1	Year	
Windows License		License	\$68.00	1	Time	
Office SA		License	\$97.27	1	Year	
Office License		License	\$328.78	1	Time	
TOTAL						